



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

November 22, 1996

David L. Penney
Box 312
Beaver, Utah 84713

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Banded Opal Project, S/001/040, Beaver County, Utah

Dear Mr. Penney:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on November 13, 1996. The application for the proposed Banded Opal Project, located in the NE1/4 of the NW 1/4 of Section 16, T27S, R9W, SLBM, Beaver County, Utah is complete and no additional information is required at this time.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining *does not* constitute approval to commence operations upon lands under state mineral leases administered by the School and Institutional Trust Lands Administration/school sections (SITLA). Your notice did not include a mineral lease number from SITLA. *Before conducting mining*



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operations on state leased lands, the operator must provide formal written notification, meet bonding requirements, and obtain written approval from the School and Institutional Trust Lands Administration. Please contact them for their requirements. Their address is: School and Institutional Trust Lands Administration, 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Munson", with a long horizontal flourish extending to the right.

Tom Munson
Senior Reclamation Specialist

jb
Enclosure
cc: Kiran Bhayani, DWQ w/NOI
Roger L. Bon, UGS
Will Stokes, SITLA
Tracking File
S001040.noi